

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

SB 2244

March 20, 2014

SUMMARY OF BILL: Prohibits the act of “curbstoning,” which is defined as selling, offering for sale, advertising for sale or soliciting the sale of motor vehicles not titled in the seller’s name or validly assigned to the seller and the seller is not a licensed motor vehicle dealer. States that any motor vehicle used in curbstoning is subject to forfeiture in the same manner as provided in Tenn. Code. Ann. Title 40, Chapter 33. Authorizes the Motor Vehicle Commission to deny any application for a motor vehicle dealer or revoke or suspend such license of a salesperson who has engaged in curbstoning. Specifies that forfeiture proceeds shall be allocated in the following manner:

- 75 percent to the seizing entity;
- 10 percent to the General Fund;
- 15 percent to the Department of Commerce and Insurance, Division of Consumer Affairs (DCA) for consumer education.

ESTIMATED FISCAL IMPACT:

**Increase State Revenue - Exceeds \$5,000/General Fund
Exceeds \$7,500/DCA**

Increase Local Revenue - Exceeds \$37,500

Assumptions:

- It is unknown how many vehicles will be subject to asset forfeiture due to curbstoning.
- It is estimated that there will be at least 10 vehicles subject to forfeiture per year.
- The average retail value of such vehicles is unknown, but is reasonably estimated to average \$5,000.
- This will result in a total value of forfeited vehicles at \$50,000 (10 x \$5,000).
- Seizing entities will primarily be local law enforcement officials.
- The following provides the allocation of \$50,000:
 - Local law enforcement: \$37,500 (\$50,000 x 75%);
 - State General Fund: \$5,000 (\$50,000 x 10%);
 - DCA: \$7,500 (\$50,000 x 15%).
- Local governments may find it difficult to store additional forfeited vehicles.
- Any additional cost to local governments to store such vehicles is estimated to be not significant.

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- A small increase in cases in the court system, which will result in additional state and local government expenditures for processing the cases and additional state and local government revenue from fees, taxes and costs collected. These expenditures and revenue are estimated to be not significant.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise". The signature is fluid and cursive, with the first name "Lucian" written in a larger, more prominent script than the last name "Geise".

Lucian D. Geise, Executive Director

/jdb